

UNITED STATES DISTRICT COURT FOR
THE SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,
Plaintiff,

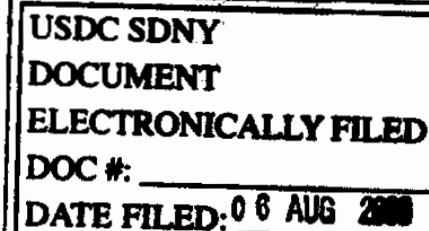
v.

BLUEHIPPO FUNDING, LLC,

and

BLUEHIPPO CAPITAL, LLC,
Defendants.

CIVIL NO. 08 CV 1819 (PAC)



(~~proposed~~)
**ORDER GRANTING DEFENDANTS' COUNSEL'S MOTION TO WITHDRAW
AND SETTING CIVIL CONTEMPT HEARING**

WHEREAS on July 20, 2009 Defendants' Counsel, Manatt Phelps & Phillips LLP ("Manatt"), notified the Court of its desire to withdraw as counsel to Defendants in this matter because Defendants have failed to pay legal fees and expenses.

WHEREAS the Federal Trade Commission's Contempt Motion based upon Defendants' failure to respond completely and accurately to the Commission's January 29, 2009; March 9, 2009; and May 29, 2009 Requests for Information as required by Section IX.B of this Court's Final Order, remains outstanding.

IT IS THEREFORE ORDERED THAT:

- A. Manatt's motion to withdraw as counsel for Defendants is GRANTED.
- B. Defendants must have new counsel enter an appearance on behalf of Defendants no later than August 21, 2009.

The Close of business

- C. If new counsel fails to enter an appearance by that date, Blue Hippo shall be in civil contempt and ordered to pay \$~~10,000~~ ^{\$5,000} per day into the Court Registry, ~~commencing~~ ^{continuing} *MK* ~~Monday 23~~ ^{August 24}, 2009 and continuing each day until the Court determines that

Defendants have fully complied with its Order to have new counsel enter an appearance.

- D. If and when new counsel appear on behalf of Defendants, new counsel shall have until September 4, 2009 to provide full, complete, and accurate responses to the Commissions's demand letters dated January 29, March 9, and May 29, 2009.

IT IS FURTHER ORDERED THAT, pursuant to the Court's inherent contempt authority, that Defendants shall appear before this Court on the 9th day of September at 11:00 am at the Daniel Patrick Moynihan Courthouse for the Southern District of New York, 500 Pearl Street, Courtroom 20C, New York, NY 1007-1312, to show cause, if any there be, why this Court should not find them in civil contempt for failing to comply with Section IX.B of this Court's Final Order, and impose such relief as it deems appropriate.

IT IS SO ORDERED this 6th day of August, 2009.



Paul A. Crotty
United States District Judge
United States District Court for the
Southern District of New York